

INTERNATIONAL COINAGE.

LETTER

FROM THE

SECRETARY OF THE TREASURY,

TRANSMITTING

The report of Professor Alexander in regard to the relative value of the coinage of the United States and Great Britain.

JANUARY 11, 1859.—Laid upon the table and ordered to be printed.

TREASURY DEPARTMENT,
January 6, 1859.

SIR: In my annual report of December 8, 1857, I stated that "in accordance with the authority vested in the Secretary of the Treasury by the joint resolution approved February 26, 1857, to provide for ascertaining the relative value of the coinage of the United States and Great Britain, and fixing the relative value of the unitary coins of the two countries, I appointed Professor J. H. Alexander, of Baltimore, commissioner to confer with the proper functionaries in Great Britain in relation to some plan or plans of so mutually arranging, on the decimal basis, the coinage of the two countries, as that the respective units shall hereafter be easily and exactly commensurable. Professor Alexander is now in London, and I expect the result of his mission will be embodied in a statement and report from him at an early day, which will be laid before Congress as soon as received."

At that time an earlier report was anticipated from Professor Alexander. It has, however, only been received on the 24th ultimo, since the adjournment of Congress, and is now transmitted for such action as may be deemed advisable. The report of Professor Alexander is not as encouraging as I had hoped it would be, though with the limited power conferred upon him no certain and fixed policy could have been adopted. It is for Congress to say what additional steps shall be taken, and to what extent discretionary power on the subject shall be given to any agent or commission which they may authorize.

I also transmit the instructions to Professor Alexander and his correspondence with the department.

I am, very respectfully,

HOWELL COBB,
Secretary of the Treasury.

Hon. JAMES L. ORR.

Speaker of the House of Representatives.

TREASURY DEPARTMENT,
September 17, 1857.

SIR: To your commission on the subject of international coinage the department desires to subjoin the following instructions:

1. You are authorized to proceed, with all convenient despatch, to London, there to hold the conferences with the proper authorities, contemplated in the resolution of Congress under which you have been appointed.

2. In order to facilitate these a suitable letter will be procured from the State Department, addressed to our ambassador in London, and requesting him to render you any and all assistance in his power.

3. Care will, of course, be taken in these conferences to have it understood that the resolution under which you are acting is one of inquiry, and to avoid any committal of this government in the premises.

4. And, as the recognition of the principle of internationality in coinage is, in the present state of the subject, of chief importance, the department relies upon your not suffering any possible prepossession of your own, in favor of any particular plan or method, to interfere with your obtaining the most thorough information as to the views and tendencies in Great Britain in regard to said principle, irrespective of the particular mode of its realization.

5. Even if your negotiations should fail otherwise, the department would be content, at present, if they lead to an expression of a determination on the part of Great Britain not to introduce any alterations in the coinage without giving this government an opportunity of being advised thereon; a determination which is involved on the part of this government by implication in the resolution under which the department is now acting.

6. The department does not, of course, assign any period for the final report of what you may have been able to ascertain or accomplish. For your not being deficient in due diligence reliance is placed upon the earnestness which you have hitherto manifested in the subject. At the same time, it is desirable that the department may be kept informed from time to time, and especially, that it be in possession of a report of progress in time for the annual message of the Executive to Congress.

7. The practical limit set to the duration of your function is applied by the appropriation, which appears ample for the purpose in view, and which cannot, under any circumstances, be exceeded.

8. It is not in the power of the department to place at your disposal, beforehand, any part of your compensation ; the act of January 30, 1823, expressly prohibiting any advance of public money in such cases, and providing that payments shall not exceed the value of the service rendered, or articles delivered, previously to such payment. It will therefore be necessary that you render an account for settlement by the proper accounting officers before anything can be paid for your compensation.

9. In this account you may charge the actual expense of your passage to and from Europe, and ten dollars each day from the date of your appointment until your return, to cover all other expenses and compensation. This per diem will not be allowed beyond the last day of December next.

Very respectfully,

HOWELL COBB,
Secretary of the Treasury.

Professor J. H. ALEXANDER,
Commissioner, &c.

LONDON, July 7, 1858.

SIR: I have not had the honor of addressing you since some time, as I did not wish to trouble the department with despatches that would only cumber its files without adding materially to its information. Now, however, that a formal step has been taken by her Majesty's government in reference to the question which I was charged to ask, I lose no time in its communication.

Hitherto I presume that questions of more urgency for decision, and the disarrangements consequent upon the in-coming of a new ministry, have contributed to delay the suitable consideration of this one ; but at length it has been officially referred by the lords of the treasury to the master of the royal mint for opinion and report, and I have been requested to confer with that functionary.

My impressions are that said report, when made, will be in accordance with my wishes, but the period of our final conference, and of its return, has been postponed until the 1st of September, on the suggestion of the master of the mint, and for reasons which were quite satisfactory to me.

Assuming my impressions as to the character of said report to be correct, the question will then come up, on its recommendation, before her Majesty's council, of which the master of the mint is no longer a member ; and this will not occur, most likely, until near to or after 30th September proximo, thus rendering expedient a continuation of the commission under which I now act.

It is hardly necessary for me to say that such continuation need not be accompanied by any further drafts on the appropriation after said 30th September ; the very liberal manner in which you, sir, were pleased last summer to construe an imperfect law making me less disposed than ever to raise any question as to compensation or expenses.

I have then to suggest that I be instructed as to the extension of my present commission until the 1st of March, 1859, a date shortly after the meeting of Parliament, or such other day as you may deem most proper; but without any power of drawing upon the treasury, as under your instructions heretofore.

I have the honor, sir, to offer the assurances of my profound respect and to remain your obedient servant,

J. H. ALEXANDER.

Hon. HOWELL COBB,
Secretary of the Treasury.

TREASURY DEPARTMENT, *July 26, 1858.*

SIR: Your letter of the 7th instant, requesting an extension of your commission, for the reasons and to the period therein stated, has been received. I assent to such extension under the express conditions that the aggregate expenses of every description shall, in no contingency, exceed the amount appropriated and placed by law under the control of this department for the purpose in question.

Very respectfully,

HOWELL COBB,
Secretary of the Treasury.

J. H. ALEXANDER, Esq., *London.*

LONDON, *Friday, October 8, 1858.*

SIR: I had the honor of duly receiving your communication of July 26, assenting to the extension of my commission. To the conditions coupled with such assent I need hardly say I agree *ex animo*.

In my last letter I advised of the subject in charge having been referred by the lords commissioners of her Majesty's treasury to the master of the royal mint for a report. This functionary has just exhibited to me the document prepared for submission, whose tenor is, as I anticipated, entirely favorable to the object contemplated and in whose recommendations I could not do otherwise than agree.

In the course of the interviews which we had had, the master of the mint asked for a specific plan of accomplishing the aim in view; and, in conformity with my instructions, I could only inform him that I was not authorized to present any plan to which my government could be considered or at all committed, and that my commission extended no further than to ascertain how far the principle of international coinage would be acceptable to the British government. Accordingly, a principal recommendation in the document referred to is that the United States government be invited to indicate such plan to be made the basis of further treatment.

In an interview held with the Secretary of the Treasury, to whom the document was addressed, day before yesterday, he informed me that the shortness of time since its being handed in, and other pressing

engagements, had not allowed of its being yet taken up, but that he would communicate with me thereupon in a few days. Such is the general position of the affairs.

In view of the uncertainties which always attend the prompt acceptance of important changes of any kind, and, especially, considering the singularly unstable and precarious tenure of the present ministry, I forbear to express any opinion as to the conclusion at which they may arrive.

Assuming it to be in accordance with the opinion and recommendations that have been laid before them, it will be obvious that I can proceed no further without additional instructions. Of course I do not ask for these at present, but only hasten to indicate the probability of their being required.

Before the coming week shall have expired I hope to be able to communicate something more definite, meanwhile—

I have the honor to remain, sir, with perfect respect,

J. H. ALEXANDER.

The Hon. SECRETARY OF THE TREASURY.

FOREIGN OFFICE, *November 25, 1858.*

SIR: I have the honor to acquaint you that her Majesty's government have given the fullest consideration to the matters which you have brought before them, in execution of the instructions with which you were charged by the President of the United States, to confer with the proper authorities of this country "in relation to some plan or plans of so mutually arranging the coinage of the two countries (Great Britain and the United States) as that the respective units shall be hereafter easily and exactly commensurable;" and I have now to state to you that although her Majesty's government are not prepared themselves to invite a conference with reference to a project which could not be carried out without parliamentary sanction, and which has not hitherto engaged the attention of the British public, or been discussed in Parliament, yet they would be very unwilling to throw any impediment in the way of a full discussion with a commissioner deputed by the United States of a subject which, as affecting the mutual interests of the two countries, must necessarily engage their lively attention.

I have, accordingly, the honor to inform you that her Majesty's government will be prepared to consider and confer with you on any proposal which you may be instructed to submit to them in behalf of the government of the United States.

I have the honor to be, sir, your most obedient humble servant,
MALMSBURY.

Professor ALEXANDER, &c., &c.

NEW YORK, *December 13, 1858,*
(*Monday morning.*)

SIR: I have the honor of communicating the fact of my arrival here last night, in the steamer *Persia*, bearing a reply of her Britannic Majesty's government in regard to the matter placed in my charge, whose substance will, I hope, be satisfactory and agreeable to you.

Proposing to leave here to-morrow morning, on my way south, and to reach Baltimore, at the latest, on Thursday next, I shall have the honor of waiting upon you at the Treasury Department as soon after said day as you may signify to me that it will be agreeable to you for me so to do. And in the meantime, I remain, with great respect,
Your servant,

J. H. ALEXANDER.

Hon. HOWELL COBB,
Secretary of the Treasury.

BALTIMORE, *December 18, 1858.*

SIR: I had this honor on the 13th instant at New York, and acknowledge the receipt just now of your communication of October 21, touching the last draft of mine, which was sent in the ordinary course, and about which I know nothing further.

The views expressed in your communication are quite satisfactory to me; and I am perfectly content to abide the action of the department, whose approval I estimate much higher than the value of the draft in question.

The final report referred to is quite ready to be made, and I only deferred writing it until I could have the benefit of your advice or instruction as to the form in which you preferred its being presented. It was to this end that I ventured to trouble you with a letter from New York, the reply to which I have been and am awaiting.

I have the honor to remain, with entire respect, your servant,

J. H. ALEXANDER.

Hon. SECRETARY OF THE TREASURY.

TREASURY DEPARTMENT,
December 20, 1858.

SIR: Your letter of the 18th instant is received to-day, stating that your final report is quite ready to be made, and that you have deferred writing it until you can have the benefit of my advice or instruction as to the form.

The joint resolution requires the result of the conferences with the proper functionaries of Great Britain to be embodied in a statement and report, to be laid before Congress. What facts you have obtained which should be so embodied is a matter within your own knowledge,

and any statement of your doings which you may think proper to make should be addressed to the Secretary of the Treasury, to be reported to Congress, as desired. It strikes me that the form is not material as long as the facts and results are distinctly set forth.

Very respectfully,

HOWELL COBB,
Secretary of the Treasury.

J. H. ALEXANDER,
Baltimore, Maryland.

BALTIMORE, *December 23, 1858.*

SIR: I have the honor herewith to present the report, for Congress, of the result of divers conferences held by me with functionaries of her Britannic Majesty's government, in virtue of the commission with which you were pleased to charge me, under a joint resolution of Congress, contemplating the introduction of some plan for the symmetrization of British and American coinage.

This result has been longer of attainment than was agreeable either to my arrangements or to my hopes, yet, although it is not, of course, in my concern to explain a delay which was not caused or contributed to by myself, it is only just to say that the negotiation was entered upon at a period which happened to be peculiarly inopportune.

I reached London about the 1st of November, 1857, when the native rebellions and Sepoy troubles in British India were verging towards their culmination, bringing with them indications, as was supposed, of terrible significance, when a nation, unaccustomed to discomfiture, had the additional mortification of tracing its reverses to unhappy combinations among those who had been its beneficiaries, and ought to have been its friends, and when the pressure of public calamity was aggravated by the feeling of private anxieties and the selfishness of individual grief. Under such circumstances, I could hardly be surprised at the cold response to my inquiries by the chancellor of the exchequer, which, in fact, did no more than admit the interest which the topic, thus introduced, ought to inspire at a more fortunate epoch. A copy of this response I immediately despatched, and it is now, of course, on the files of the Treasury Department.

When the then members of her Britannic Majesty's government were, after a while, succeeded by others holding, in some respects, different views of policy, the scope for activity in the matter in question was not immediately enlarged. The embarrassments and perils of the Anglo-Indian empire did not appear materially diminished, and in addition to the sufficiently complicated task before them in their normally official duties, the new ministry had to encounter, if the cotemporaneous statements of the public journals are to be taken as authority, other and peculiar difficulties in a certain precariousness and thanklessness of position. Of course, I neither profess to know, nor think this the place for me to speak if I did know, what were the real character and actual extent of such or other difficulties. I only

refer to them in connexion with the impressions I received at the time, and upon these I exercised a discretion which, I hope, will be considered sound, in not risking, by a premature urgency, the fate of a measure which, apparently involving serious formal changes, should be approached, as much as possible, with disembarassed and calm consideration. When the subject was at length renewed, I was desired to confer with the master of the royal mint, as the proper scientific and technical authority upon the various points involved. With this eminent person I held, accordingly, divers conferences, and I believe I am not transcending the bounds of ordinary diplomatic reserve when I say that he entered—as I anticipated that one so intellectually trained and furnished would enter—cordially into the aim; and co-operated efficiently in bringing the question to the point limited by the instructions with which I had been supplied by the Treasury Department.

These instructions, now on file in the department, were, among other things, very specific in directing that care be taken to have it understood that the resolution under which I was acting was one of inquiry, and to avoid any committal of my government in the premises; and they were, also, very precise in warning me against suffering any possible prepossessions of my own in favor of any particular plan or method to interfere with the acceptance of the principle of internationality involved and symmetrization aimed at, irrespective of the particular mode of its realization. To these I conformed, not only as a matter of duty, but *ex animo*; and, though I found it expedient to cause to be printed and, to a certain extent, made public the details of a particular plan—the same which had been within the knowledge of the Finance Committee of the Senate, with whom the joint resolution originated—yet these were put forth on my own individual responsibility, and were distinctly understood to be merely in illustration of the bearing and feasibility of the principle; in the same manner as clearer intelligence of any numeral or mechanical rule is ordinarily supposed to be afforded by the exhibition of a practical example.

To the question, then, which very naturally would be, and, in fact, was, asked, whether I was authorized by my government to suggest any mode of effecting the desirable symmetrization and uniformity sought, my answer could be, and was, only in the negative.

With this, however, it must be considered that, although the resolution prescribed properly, in the first place, an inquiry as to whether it would be agreeable for her Britannic Majesty's government to entertain a motion for mutual alteration in the coinage of Great Britain and of the United States, for the sake of the commercial convenience that might be afforded by it, yet, in the ordinary comity of national intercourse, the answer to such an inquiry, did it go no further, might almost, of course, be expected in the affirmative; or, at least, to the extent of withholding a negative until the party taking the initiative had proposed some specific measure.

It seemed to me, then, that although I had no such measure to propose, I was only carrying out the intent of the resolution—if, indeed, it is not rather contained literally in the terms themselves—by in-

quiring into the likelihood of acceptability of a change in one element of coinage, which must underlie any and all possible plans for harmonizing the unitary coin of Great Britain with our own, viz: a change in the alloy of the metal out of which said coin is fabricated.

The standard gold coin of Great Britain is now 91 $\frac{2}{3}$ per cent. fine; its silver coin is 92 $\frac{1}{2}$ per cent. fine; the fineness of both metals in the United States is 90 per cent. Unless the material for manufacturing the coins be the same in both countries, any device for counterbalancing the incongruity by modification of the individual coins must be quite artificial, highly complicated, and, economically and commercially, well nigh ineffectual.

Sundry considerations belonging to the topic, upon which I need not dilate here, induced me to attach a peculiar importance to the consent of Great Britain to a change in this particular, and, indeed, to regard it as the keystone to any possible new system. I was, therefore, proportionately gratified in finding reasons for my conviction that necessity for a change in this element on the side of Great Britain will not present a serious embarrassment in future negotiations, or an important obstacle in the continuance of the present.

Of course, in the relation which I had, it was neither proper for me to expect, nor becoming in me to ask for, any documentary evidence of this conclusion, whose statement must rest, for the present, upon the accuracy of my inference from verbal communications, of sufficient weight and precision, however, to leave but small risk of misapprehension.

Nor did I think it of urgent importance to obtain documentary expressions upon another point included in my instructions, viz: a determination on the part of Great Britain not to introduce any alterations in her coinage without giving the United States government an opportunity of being advised thereupon; "a determination," the instructions go on to say, "which is involved on the part of this government, by implication, in the resolution under which the department is now acting." In point of fact, the issues have gone beyond this point, whose urgency was only contingent upon their not reaching so far.

To return to the narrative of proceedings.

The subject was submitted to the lords of the treasury, after a time, upon a report thereon from the master of the mint, which report was communicated to me informally, for my satisfaction; and which, therefore, although I have every desire for its contents being known, I have not thought myself allowed to place on file in the department.

Upon this report a treasury minute was made, which was also communicated to me, but only verbally. And, in accordance with this minute, I received, on 25th November ultimo, the last communication to me from the Foreign Office, a copy of which is herewith sent to be placed on file in the department, while its substance and material phraseology are reported here.

It recites, then, after a suitable preface, that although her Britannic Majesty's government are not prepared themselves to invite a conference, (or, in the language of the treasury minute, to take the initiative,) with reference to a project which could not be carried out with-

out parliamentary sanction, they would be very unwilling to throw any impediment in the way of a full discussion of a subject which, as affecting the mutual interest of the two countries, must engage their lively attention. And it finally informs me that they will be prepared to consider and confer with me on any proposal in the matter which I may be instructed to make in behalf of the government of the United States.

This conclusion, expressed with a caution that is, I believe, habitual with the government of Great Britain, in contemplation of any change in existing institutions, or establishments there, is in reality all that could be arrived at, under the conditions of my instructions.

It remains for the government of the United States, if it continues to consider the object aimed at worthy of further effort, to cause me, or some one else more fit, to be instructed as to the terms on which it would be willing to attain it.

Of such attainment finally, and upon terms that would be subjectively advantageous to us, without reference to the international relations of the object, I entertain no doubt.

In the hope that so desirable a consummation may ere long be achieved, and that the incipient steps which I have taken towards it may be found to merit approval,

I have the honor to be, sir, with profound respect, your servant,
J. H. ALEXANDER.

Hon. HOWELL COBB,
Secretary of the Treasury.